is . . . reviewed without deference." SanDisk Principal Brief at 38.

The first time the petitioners questioned the Federal Circuit's practice of reviewing claim construction orders *de novo* was in their Joint Motion to Stay the Mandate after the Federal Circuit decided this case. Joint Motion by Appellees to Stay Issuance of the Mandate at 2 ("Appellees request that the Court stay issuance of the mandate for 90 days, pending the filing of a petition for writ of certiorari in the Supreme Court. . . . Appellees' certiorari petition will present the substantial question of whether claim construction should be reviewed under a *de novo* or clear error standard."). The Federal Circuit denied that motion. July 29, 2005, Order.

III. ARGUMENT

A. The Petition Should Be Denied Because the Question Presented Has No Bearing on the Lower Courts' Decisions in this Case

The petition argues that "[t]he Federal Circuit's application of a de novo standard of review to trial courts' interpretations of patent claims is contrary to Federal Rule of Civil Procedure 52(a)." Petition at 10. Rule 52(a), however, provides for a heightened standard of review only for a district court's *factual* findings:

> Findings of fact, whether based on oral or documentary evidence, shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses.

Fed. R. Civ. P. 52(a) (2005).

Likewise, in describing the question as "an important and recurring issue that has long been the subject of vigorous disagreement within the Federal Circuit" (Petition at 11), the petition primarily relies upon the majority and concurring opinions in *Cybor Corp. v. FAS Technologies, Inc.*, 138 F.3d 1448 (Fed. Cir. 1998) and Judge Mayer's dissenting opinion in *Phillips v. AWH Corp.*, 415 F.3d 1303 (Fed. Cir. 2005). The controversy in each of those cases concerned the deference that should be given to allegedly *factual* findings that underly a district court's claim construction order:

> After the Supreme Court's decision in *Markman II*, panels of this court have generally followed the [*de novo*] review standard of *Markman I*. In some cases, however, a clearly erroneous standard has been applied to findings considered to be factual in nature that are incident to the judge's construction of patent claims. We ordered that this case be decided in banc to resolve this conflict, and we conclude that the *de novo* standard of review as stated in *Markman I* remains good law.

Cybor Corp., 138 F.3d at 1454-1455 (citations omitted); *see also Phillips*, 415 F.3d at 1332 (Mayer, dissenting) ("the nature of the questions underlying claim construction illustrate that they are factual and should be reviewed in accordance with Rule 52(a)").

In this case, however, it cannot be said that the Federal Circuit failed to defer to any factual findings in the district court's claim construction order. The Federal

Circuit's reversal of the district court was based solely on the *legal* errors the district court committed. Specifically, the Federal Circuit found that the primary basis for the district court's construction was an erroneous application of the *legal* doctrine of prosecution history disclaimer. *See* page 8, *supra*. Furthermore, the Federal Circuit's examination of the claim language did not focus on any technical terms of art, but rather on a legal one: "includes." *See* pages 6-7, *supra*.

The only aspect of the Federal Circuit's criticism of the district court's analysis that arguably could be characterized as "factual" is the observation that the district court misread the specification and failed to recognize that it disclosed an embodiment having non-partitioned sectors. *See* pages 7-8, *supra*. Even if this observation could be viewed as a "factual" finding, however, there was no *dispute* on the issue. On appeal, the defendants *conceded* that the district court reading of the specification was wrong. *See id.*

And even the district court's erroneous reading of the specification should properly be recognized as one of "law" under the regime proposed by the petition. On this point, the petition's analogy of claim construction to contract interpretation (Petition at 16) is instructive. The patent specification, along with the prosecution history, is considered "intrinsic" evidence to the meaning of a patent claim. *See* page 4, *supra*. Where contract interpretation turns solely on intrinsic evidence, appellate review is *de novo*. *See, e.g., Clardy Mfg. Co. v. Marine Midland Bus. Loans, Inc.*, 88 F.3d 347, 352 (5th Cir. 1996) ("The interpretation of an unambiguous contract is a question of law which we review *de novo*. . . . However, when a contract is ambiguous and its construction turns on the consideration of extrinsic evidence, we review the district

court's interpretation for clear error only."); *In re U.S. Financial Securities Litigation*, 729 F.2d 628, 631-632 (9th Cir. 1984).

By analogy, where the district court's claim construction turns on the intrinsic evidence of the patent (as it did in this case), *de novo* review is entirely appropriate. Further, this was also the law of claim construction even in those cases where the Federal Circuit was inclined to defer to factual findings. *See also C.R. Bard, Inc. v. Advanced Cardiovascular Sys.*, 911 F.2d 670, 673 (Fed. Cir. 1990) ("Claim interpretation, which is a question of law, involves examination of the claim at issue, the specification, and the prosecution history. Claim interpretation may depend upon conflicting evidentiary material which can give rise to a genuine factual dispute.") (citations omitted).

It also bears noting (since the petition purports to adopt the reasoning in his dissent from *Phillips*)[5], that even Judge Mayer has declared that no deference is due where a district court's claim construction relies solely on intrinsic evidence or uncontested extrinsic evidence. In his *Cybor Corp.* concurrence, for example, Judge Mayer explained that where no facts were disputed below, there would be no reason to defer to the trial court's claim construction:

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[5] Petition at 7-8 (directing the Court to Judge Mayer's *Phillips* dissent for an explanation of the alleged problems associated with the Federal Circuit's approach to review of claim construction orders and the solution to those problems, i.e., deference to the district court where underlying factual disputes were resolved).

> Provided that no factual findings about disputed terms were necessarily made in the course of construing the claim, our making a claim construction that supersedes that of the district court is not inconsistent with the [Supreme] Court's opinion [in *Markman*].

Cybor Corp., 138 F.3d at 1465 (Mayer concurring).

In support of this statement, Judge Mayer favorably cited three decisions where the Federal Circuit, in reversing the district court, gave no deference to its claim construction. *See id.*, citing *Serrano v. Telular Corp.*, 111 F.3d 1578, 1582-1584 (Fed. Cir. 1997) (construing terms based on claim language, specification and prosecution history); *Insituform Techs., Inc. v. Cat Contracting, Inc.*, 99 F.3d 1098, 1106 (Fed. Cir. 1996) (basing claim construction on "the language found in the claims, specification and file history"); *Alpex Computer Corp. v. Nintendo Co.*, 102 F.3d 1214 (Fed. Cir. 1996) (relying on intrinsic evidence and using the testimony of the patentee's own expert against it); *see also Markman v. Westview Instruments, Inc.*, 52 F.3d 967, 991 (Fed. Cir. 1995) (Mayer, J., concurring) ("[I]f, after consideration of [the intrinsic evidence], the judge cannot readily resolve the meaning of the claims, he resorts to extrinsic evidence to shed light on them. . . . If this information clarifies the meaning of the claims and is uncontested, the judge may rule as a matter of law.")

Similarly, Judge Mayer's dissent in *Phillips* does not argue that every district court claim construction order deserves deference. Instead, he recognizes that in some cases a district court may be "required to sift through and

weigh volumes of evidence" such as "experts offering conflicting evidence," or "contradictory dictionary definitions." *Phillips*, 415 F.3d at 1332. Those orders, where competing claim constructions were "hotly contested by the parties, not by resort to case law as one would expect for legal issues, but based on testimony and documentary evidence," are the ones that in Judge Mayer's opinion are owed deference. *Id.* The district court in this case, however, never relied on any expert testimony or extrinsic documentary evidence. *See* page 4, *supra*. Thus, like those cases favorably cited in Judge Mayer's *Cybor Corp.* concurrence, the district court's claim construction in this case would have received no deference even under the regime Judge Mayer (and the petition) proposes.

In short, regardless of whether this Court believes that lower courts' claim construction orders should be reviewed in accordance with Fed. R. Civ. P. 52(a), the Federal Circuit's decision *in this case* would remain valid. The district court's interpretation of the patent documents, without resort to extrinsic evidence, was a purely legal undertaking that would be reviewed without deference even under Rule 52(a). As a result, the petition should be denied.

B. The Petition Also Should Be Denied Because the Question Presented Was Not Argued or Decided Below

Ordinarily, this Court will "not decide in the first instance issues not decided below." *National Collegiate Athletic Ass'n v. Smith*, 525 U.S. 459, 470 (1999). Thus, the Court considers questions "not pressed or passed upon below" only in unusual circumstances. *See, e.g., United States v. Williams*, 504 U.S. 36, 41 (1992).

Here, the question presented by the petition was never argued or decided below, nor have petitioners shown any exceptional circumstances that would justify departing from the general rule. No petitioner ever suggested to the Federal Circuit that it should defer to the district court's claim construction. Instead, they effectively conceded the point by remaining silent in the face of SanDisk's citation to the Federal Circuit's long-standing practice of reviewing claim construction *de novo*. *See* pages 8-9, *supra*. Thus, the issue was not contested below, and the Federal Circuit had no opportunity to address the issue. *See Illinois v. Gates*, 462 U.S. 213, 222-223 (1983) ("the routine restatement and application of settled law by an appellate court did not satisfy the 'not pressed or passed upon below' rule.").

Nor can it be said that the defendants' mention of the issue in their Motion to Stay the Mandate "pressed" the issue in a manner sufficient to justify the petition. That motion, by its very terms, never asked the Federal Circuit to resolve the issue. Instead, it simply informed the Federal Circuit after it had ruled that it intended to raise the issue of deference with this Court in a petition for writ of certiorari and asked the Federal Circuit to hold its mandate for 90 days. *See* page 9, *supra*. Thus, that motion and its summary denial cannot be fairly characterized as a "real contest" before the Federal Circuit.

IV. CONCLUSION

For the foregoing reasons, SanDisk respectfully requests that this Court deny the petition.

Respectfully submitted,

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